

State of South Dakota

SEVENTY-EIGHTH SESSION LEGISLATIVE ASSEMBLY, 2003

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SENATE BILL NO. 139

Introduced by: Senators Kloucek, Dennert, and Kooistra and Representatives Elliott, Bartling, Begalka, Bradford, Gassman, Hundstad, Kroger, Putnam, Thompson, Valandra, and Van Gerpen

1 FOR AN ACT ENTITLED, An Act to prohibit the ownership of an auto body repair business
2 by certain insurers and to provide certain requirements and restrictions during the divestiture
3 of any such interest.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. No insurer may acquire any ownership interest in an auto body repair business.
6 Any insurer that has an ownership interest in an auto body repair business shall divest itself of
7 this interest within five years of the effective date of this Act. An insurer that has an ownership
8 interest in an auto body repair business shall inform policyholders of their right to select an auto
9 body repair business of their choice at the time the policy is issued and following an accident that
10 is reported to the insurer. If a policyholder or claimant selects an auto body repair business in
11 which the insurer has a financial interest, the insurer shall disclose the interest to the policyholder
12 or claimant at the time the referral is made.

13 Section 2. No insurer may offer an incentive or provide compensation to any person for the
14 purpose of rewarding that person for referring an insured to an auto body repair business in
15 which the insurer maintains an ownership interest.



1 Section 3. The provisions of this Act do not apply to farm mutual insurers organized and
2 operating under chapter 58-35.